

AMENDED IN ASSEMBLY MARCH 18, 2010

CALIFORNIA LEGISLATURE—2009–10 REGULAR SESSION

ASSEMBLY BILL

No. 1703

Introduced by Assembly Member Knight

February 1, 2010

An act to amend ~~Section 70123 of~~ *Sections 70123 and 70124 of*, and to add *Section 70123.3 to*, the Education Code, relating to student financial aid.

LEGISLATIVE COUNSEL'S DIGEST

AB 1703, as amended, Knight. State Nursing Assumption Program of Loans for Education: ~~veterans~~ *veterans'* homes.

Existing

(1) *Existing* law establishes the Student Aid Commission as the primary state agency for the administration of state-authorized student financial aid programs available to students attending all segments of postsecondary education. Existing law establishes a program within the State Nursing Assumption Program of Loans for Education (SNAPLE), administered by the commission, under which any person who is enrolled in an eligible institution, and who agrees to work full time as a registered nurse in a state-operated 24-hour facility, including a prison, psychiatric hospital, or ~~veterans~~ *veterans'* home, that employs registered nurses, is eligible to receive a conditional loan assumption agreement, to be redeemed upon becoming employed as a clinical registered nurse in a state-operated 24-hour facility that employs registered nurses and that has a clinical registered nurse vacancy rate of greater than 10%. The SNAPLE program provides for a progressive assumption of the amount of a qualifying loan over 4 consecutive years of qualifying clinical registered nursing service, up to a total loan assumption of

\$20,000. Under existing law, this program becomes inoperative on July 1, 2012, and is repealed on January 1, 2013.

~~This bill would expand the progressive assumption of the amount of qualifying loans under the SNAPLE program provide for an additional loan assumption of up to \$5,000 per year for a participant that completes qualifying clinical registered nursing service at a state-operated veterans' home, thus raising the maximum total loan assumption authorized under the program for service at a state-operated veterans' home to \$40,000. The bill would provide for an additional loan assumption of up to \$5,000 per year of additional qualifying service, with a maximum loan assumption amount equal to the participant's total outstanding liability under the qualifying loans, for participants completing 5 or more years of qualifying clinical registered nursing service at a state-operated veterans home.~~

(2) Under the SNAPLE program, if a program participant becomes unable to complete one of the 4 consecutive years of qualifying clinical registered nursing service due to serious illness, pregnancy, or other natural causes, the term of the loan assumption agreement is extended for a period not to exceed one year.

This bill would add active military duty in the United States Armed Forces to the list of occurrences that would authorize the extension of the term of the loan assumption agreement.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 70123 of the Education Code is amended
- 2 to read:
- 3 70123. The terms of a loan assumption granted under this
- 4 article *for service in a state-operated 24-hour facility other than*
- 5 *a veterans' home* shall be as follows, subject to the specific terms
- 6 of each agreement:
- 7 (a) After a program participant has completed one year of
- 8 full-time employment as described in subdivision (b) of Section
- 9 70122, the commission shall assume up to five thousand dollars
- 10 (\$5,000) of the participant's outstanding liability under one or
- 11 more of the designated loan programs.
- 12 (b) After a program participant has completed two years of
- 13 full-time employment as described in subdivision (b) of Section

70122, the commission shall assume up to an additional five thousand dollars (\$5,000) of the participant's outstanding liability under one or more of the designated loan programs, for a total loan assumption of up to ten thousand dollars (\$10,000).

(c) After a program participant has completed three years of full-time employment as described in subdivision (b) of Section 70122, the commission shall assume up to an additional five thousand dollars (\$5,000) of the participant's outstanding liability under one or more of the designated loan programs, for a total loan assumption of up to fifteen thousand dollars (\$15,000).

(d) After a program participant has completed four years of full-time employment as described in subdivision (b) of Section 70122, the commission shall assume up to an additional five thousand dollars (\$5,000) of the participant's outstanding liability under one or more of the designated loan programs, for a total loan assumption of up to twenty thousand dollars (\$20,000).

~~(e) For a program participant employed as a clinical registered nurse in a state-operated veterans home who has completed five or more years of full-time employment, as described in subdivision (b) of Section 70122, in a state-operated veterans home, the commission shall assume up to an additional five thousand dollars (\$5,000) of the participant's outstanding liability under one or more of the designated loan programs for each additional year of full-time employment in a state-operated veterans home. The total loan assumption for a program participant under this subdivision shall be equal to the participant's total outstanding liability under one or more of the designated loan programs.~~

SEC. 2. Section 70123.3 is added to the Education Code, to read:

70123.3. The terms of a loan assumption granted under this article for service in a state-operated veterans' home shall be as follows, subject to the specific terms of each agreement:

(a) After a program participant has completed one year of full-time employment as described in subdivision (b) of Section 70122, the commission shall assume up to ten thousand dollars (\$10,000) of the participant's outstanding liability under one or more of the designated loan programs.

(b) After a program participant has completed two years of full-time employment as described in subdivision (b) of Section 70122, the commission shall assume up to an additional ten

1 *thousand dollars (\$10,000) of the participant's outstanding liability*
2 *under one or more of the designated loan programs, for a total*
3 *loan assumption of up to twenty thousand dollars (\$20,000).*

4 *(c) After a program participant has completed three years of*
5 *full-time employment as described in subdivision (b) of Section*
6 *70122, the commission shall assume up to an additional ten*
7 *thousand dollars (\$10,000) of the participant's outstanding liability*
8 *under one or more of the designated loan programs, for a total*
9 *loan assumption of up to thirty thousand dollars (\$30,000).*

10 *(d) After a program participant has completed four years of*
11 *full-time employment as described in subdivision (b) of Section*
12 *70122, the commission shall assume up to an additional ten*
13 *thousand dollars (\$10,000) of the participant's outstanding liability*
14 *under one or more of the designated loan programs, for a total*
15 *loan assumption of up to forty thousand dollars (\$40,000).*

16 *SEC. 3. Section 70124 of the Education Code is amended to*
17 *read:*

18 *70124. (a) Except as provided in subdivision (b), if a program*
19 *participant fails to complete a minimum of four consecutive years*
20 *of full-time employment as required by this article, under the terms*
21 *of the agreement pursuant to paragraph (5) of subdivision (b) of*
22 *Section 70120, the participant shall retain full liability for all*
23 *student loan obligations remaining after the commission's*
24 *assumption of loan liability for the last year of qualifying clinical*
25 *registered nursing service pursuant to Section 70123 or 70123.3.*

26 *(b) Notwithstanding subdivision (a), if a program participant*
27 *becomes unable to complete one of the four consecutive years of*
28 *qualifying clinical registered nursing service due to active military*
29 *duty in the United States Armed Forces, or due to serious illness,*
30 *pregnancy, or other natural causes, the term of the loan assumption*
31 *agreement shall be extended for a period not to exceed one year.*
32 *The commission shall make no further payments under the loan*
33 *assumption agreement until the applicable work requirements as*
34 *specified in Section 70122 have been satisfied.*

35 *(c) If a natural disaster prevents a program participant from*
36 *completing one of the required years of work due to the interruption*
37 *of employment at the employing state facility, the term of the loan*
38 *assumption agreement shall be extended for the period of time*
39 *equal to the period from the interruption of employment at the*
40 *employing state facility to the resumption of employment. The*

1 commission shall make no further payments under the loan
2 assumption agreement until the applicable employment
3 requirements specified in Section 70123 *or* 70123.3 have been
4 satisfied.

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